

brave and honorable soldiers, sailors, airmen, coast guardsmen, and marines who are serving and sacrificing in Iraq, not the few who have let us down, show the true character of America. The men and women of our military have my complete confidence as they carry on with their mission.

This has been a difficult few weeks. Yet our forces will stay on the offensive, finding and confronting the killers and terrorists who are trying to undermine the progress of democracy in Iraq. To address the violence in Fallujah, our marines are working with Iraqis to conduct operations in and around the city. They are using targeted force to strike former Ba'athists and other militants, surrounding the city to prevent the escape of enemy fighters, and taking every precaution to avoid hurting the innocent.

In the city of Najaf, an illegal militia is attempting to incite violence and seize control. The 1st Armored Division is steadily and systematically defeating these enemy forces while seeking to protect the people and the holy sites of that city. Elements of this militia have been ejected from the Najaf Governor's office, which they had been occupying.

The vast majority of Iraqi people want a free society, and next month they will take another historic step forward when

they regain sovereignty. On June 30th, a sovereign Iraqi interim government will assume authority, and Iraqis will take over the functions of their state, from basic services to law enforcement to diplomacy. On that day, the Coalition Provisional Authority will cease to exist, and relations with a new Iraqi Government will be conducted through our new embassy.

Our mission in Iraq will continue on July 1st and beyond. We have no intention of leaving that nation at the mercy of thugs and murderers. We're determined to help build a free and stable Iraq, a nation at peace with its neighbors and with the world.

Our Nation is grateful to the men and women of our military and to their families who face hardship and long separation. Our people in uniform are the best of America.

Thank you for listening.

NOTE: The address was recorded at 7:24 a.m. on May 7 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on May 8. The transcript was made available by the Office of the Press Secretary on May 7 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at a Ceremony Honoring the Millennium Challenge Account Nations

May 10, 2004

Thank you all for coming. Please be seated. Welcome. Thanks for coming to the White House.

Two years ago, I announced a new and hopeful approach in America's aid to developing nations. Under this approach, America has pledged to increase development assistance by 50 percent over 3 years. To make sure that governments make the right

choices for their people, we link new aid to clear standards of economic, political, and social reform. We invited governments in developing nations to meet those standards so that they may truly serve their people.

America formed the Millennium Challenge Corporation to oversee this new program. Last week, the first group of

Millennium Challenge Account nations was selected. I congratulate representatives with us today from Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Mozambique, Nicaragua, Senegal, Sri Lanka, and Vanuatu. You have chosen the path of reform, and your people and your nations are better off as a result of the decisions your Governments have made.

I want to thank the Secretary of State for leading this effort. He is the chairman of the board of the new Corporation. I appreciate other board members who are with us: Secretary John Snow, the Secretary of the Treasury; Ambassador Bob Zoellick, the United States Trade Representative; Andrew Natsios, the Administrator of the U.S. Agency for International Development; and Paul Applegarth, who is the CEO of the Millennium Challenge Corporation.

Mr. Chairman, thank you for taking on this important assignment.

I want to welcome the ambassadors and representatives from the 16 Millennium Challenge Account nations. We are glad you're here. Congratulations.

I want to thank the Members of Congress who are here. Two members have come today, one from the Senate and one from the House, who have been very instrumental in making sure the Millennium Challenge Account passed through both bodies. First, Senator Dick Lugar, who is the chairman of the Senate Foreign Relations Committee. Mr. Chairman, Senator Lugar is a clear visionary when it comes to U.S. aid. I appreciate you being here, Senator. Thank you for coming—as well as Congressman Tom Lantos, the ranking member. I see you brought Annette with you. Thank you for doing so. We're proud you both are here. Congressman Lantos, do me a favor. When you see Jim Kolbe, who is not with us today, thank him for working so hard to make sure that the House appropriations process honored our request for the Millennium Challenge Ac-

count. But at any rate, I'm glad you're here. You guys are great leaders for—to help America spread our vision of freedom and peace and decency for every human being.

In many nations, poverty remains chronic and desperate. Half the world's people still live on less than \$2 a day. This divide between wealth and poverty, between opportunity and misery, is far more than a challenge to our compassion. Persistent poverty and oppression can spread despair across an entire nation, and they can turn nations of great potential into the recruiting grounds of terrorists. The powerful combination of trade and open markets and good government is history's proven method to defeat poverty on a large scale, to vastly improve health and education, to build a modern infrastructure while safeguarding the environment, and to spread the habits of liberty and enterprise.

The Millennium Challenge Account encourages all nations to embrace political and economic reform. The United States has pledged to increase its core development assistance by half, adding \$5 billion annually by 2006. To be eligible for this new money, nations must root out corruption, respect human rights, and adhere to the rule of law. They must invest in their people by improving their health care systems and their schools. They must unleash the energy and creativity necessary for economic growth by opening up their markets, removing barriers to entrepreneurship, and reducing excessive bureaucracy and regulation.

The 16 nations represented here today have done all this and more. Each has worked hard to be here today, and their efforts are already yielding results. For example, Madagascar is aggressively fighting corruption. The Ministry of Justice has suspended a dozen magistrates on suspicion of corrupt activity. The Government is also implementing an ambitious program of judicial reform. Senegal, Africa's longest standing democracy, has also enacted new anticorruption laws, and is implementing

new measures to fight money-laundering. Honduras has made the improvement of education and health services a top priority. Its immunization rate of 96 percent is among the highest of all eligible countries.

The new Government of Georgia has doubled its investment in health care and raised teacher salaries by two-thirds. Mozambique has curbed Government spending and lowered tariffs. These and other reforms have resulted in double-digit growth rates over the last decade. Since launching its program of economic reform in 2002, Sri Lanka has reduced its budget deficit by a third and cut inflation by half. Other nations represented here can point with pride to similar examples of progress.

Yet funding is not guaranteed for any selected country. To be awarded a grant, nations must develop proposals explaining how they will further address the needs of their people and increase economic growth, proposals that set clear goals and measurable benchmarks.

The countries selected today represent a small fraction of those struggling to

emerge from poverty and establish reform. I urge all nations of the world to follow the progressive standards of governing justly, investing in people, and encouraging economic freedom.

Reform can bring more aid from America, and it will also bring more investment and more trade, lessening the need for aid over time. Reform will be repaid many times over in the relief of poverty and rising national wealth and stability for their countries.

The 16 chosen in this round are showing the way, are showing what is possible, are serving as a bright light in the developing world. You have taken the first courageous steps toward greater independence and greater wealth and greater hopes for the people you serve.

I want to thank you all for being here. I congratulate you on your work. And may God bless your countries and the people in the countries. Thank you for coming.

NOTE: The President spoke at 9:35 a.m. in the East Room at the White House.

Remarks Following a Meeting With the National Security Team and Military Leaders in Arlington, Virginia *May 10, 2004*

Mr. Secretary, thank you for your hospitality, and thank you for your leadership. You are courageously leading our Nation in the war against terror. You're doing a superb job. You are a strong Secretary of Defense, and our Nation owes you a debt of gratitude.

I've just completed a meeting here at the Pentagon with members of my national security team as well as a meeting with generals on the ground in Iraq. We discussed the needs of our military personnel, the status of current operations in Iraq, and the progress of that nation towards security and sovereignty.

The United States has a vital national interest in the success of free institutions in Iraq as the alternative to tyranny and terrorist violence in the Middle East. As we carry out this mission, we are confronting problems squarely, and we are making changes as needed.

Our priorities, however, remain the same, the protection of our country, the security of our troops, and the spread of freedom throughout the world. Like other generations of Americans, we have accepted a difficult and historic task.

We have made clear commitments before the world, and America will keep those